

This record is a partial extract of the original cable. The full text of the original cable is not available.

C O N F I D E N T I A L SECTION 01 OF 03 CARACAS 003956

SIPDIS

STATE FOR WHA/AND AND WHA/CAR  
NSC FOR CBARTON  
USCINCSO ALSO FOR POLAD  
STATE PASS USAID FOR DCHA/OTI

E.O. 12958: DECL: 12/28/2014

TAGS: [PGOV](#) [PHUM](#) [KDEM](#) [VE](#)

SUBJECT: VENEZUELAN ELECTORAL COUNCIL EYES THE FUTURE

Classified By: Mark Wells, Acting Political Counselor,  
for Reason 1.4(b).

-----  
Summary  
-----

1. (C) National Electoral Council (CNE) Director Jorge Rodriguez is the odds-on favorite to replace outgoing CNE President Francisco Carrasquero, who will move to the recently-expanded Supreme Court (TSJ) in January. Carrasquero's departure will leave two vacancies on the CNE's five-person board that the TSJ will need to fill. The CNE continues to make personnel changes, replacing career employees with persons loyal to President Hugo Chavez. Preparations have begun for three electoral events in 2005. CNE Director Oscar Battaglini proposed to use Venezuela's Smartmatic voting machines in Haiti and Honduras, but Smartmatic officials indicate the idea was a non-starter. End summary.

-----  
Changes At The Top  
-----

2. (C) National Electoral Council (CNE) President Francisco Carrasquero was named in early December to one of the new magistrate positions in the Constitutional Chamber of the Supreme Court (TSJ) that was created by the TSJ law passed earlier this year. An illness (some say heart problem) prevented Carrasquero from being sworn-in with the other appointees on December 15, and his swearing-in was re-scheduled for January 17. Carrasquero's departure means there will be two vacant seats on the CNE's five-person board, the other left when the CNE's pro-opposition Vice President Ezequiel Zamora resigned in protest in September over a dispute involving the regional elections. (Note: When the National Assembly failed to reach a two-thirds majority to name the CNE board in 2003, the TSJ's Constitutional Chamber found the Assembly in omission and appointed the five board members with a 3-2 advantage to the GOV. Electoral law stipulates that vacancies be filled by alternates, but Zamora's alternates were viewed as too sympathetic to the opposition. CNE Director Jorge Rodriguez said Carrasquero's replacement will once again be decided by the Constitutional Chamber rather than the National Assembly.)

3. (C) Rodriguez is widely believed to be a shoo-in for Carrasquero's job. As the head of the National Electoral Board (JNE), the electoral operations committee subordinate to the CNE board, Rodriguez was the organizing force behind the August 15 presidential recall referendum and the October 31 regional elections. Chavez opponents complain that Rodriguez, a psychiatrist by training, manipulated both elections to ensure GOV victories. Jorge Tirado, a consultant for the Smartmatic consortium that provides the CNE's electronic voting system, told poloff December 20 that Rodriguez is lobbying for the job. Tirado said Rodriguez and Carrasquero do not get along and rarely consult with one another outside of the board meetings. Tirado said Rodriguez is pushing for his key assistant (and alternate director), Tibisay Lucena, to succeed him as head of the JNE. Tirado said another alternate, Esther Gauthier, has political backing from the National Assembly to fill the Vice President position. Tirado said that neither candidate had the job locked up and predicted the debate would continue until after Carrasquero departs.

-----  
CNE Faces Heavy Schedule  
-----

4. (C) Tirado said the CNE is planning for three electoral events in 2005. The recall referendum against nine opposition National Assembly deputies and the election of the governor of Delta Amacuro State and six make-up elections for mayoral seats will take place April 10 (using Tirado's tentative planning dates). Elections for city councils and neighborhood councils ("parroquias") are tentatively set for July 31. This election, Tirado said, will encompass

thousands of positions and tens of thousands of candidates, making it the most difficult from a technical standpoint. Lastly, National Assembly elections are planned for December 15.

-----  
But CNE Continues To Clean House  
-----

15. (C) Prior to the presidential recall referendum, the pro-Chavez majority of the CNE board began to replace career employees, either forcing them into retirement or firing them. Pedro Valladares, the leader of the CNE workers' union (aligned with the opposition), told poloff December 21 that 260 employees have been forcibly retired and 110 dismissed since September 2003. Prior to Chavez, Valladares said, political parties filled CNE positions on a loose quota system, with rotations in management jobs based on which party was in power. Under Chavez, the CNE has been removing those employees and replacing them with pro-Chavez loyalists, he said. Valladares said some fired workers had successfully contested their dismissals in administrative labor courts. Work areas such as computer systems and the electoral registry were "completely closed off" to all but a handful of select employees, Valladares added.

16. (C) Valladares said that, despite the removal of career employees, the number of total employees on the payroll had increased from about 2,000 in September 2003 to about 4,000 today. Valladares, who sees payroll records as a part of his union duties, said many new positions were added in regional CNE offices in state capitals. In addition, Valladares said that many of the temporary employees hired to process the signatures collected by the opposition for the recall referendum are still on the job, but do not have much to do. He alleged that some people on the CNE payroll are phantom employees and or do not work at CNE facilities. Valladares said the workers received a 40-percent pay increase when the new board was installed (which included the same increase for board members), but he said no raises are contemplated for this year. He said this had caused a morale problem among workers, especially since the CNE received its full budget for 2004 plus a supplemental, most of which went to purchases of the Smartmatic electronic voting machines and Cogent fingerprint capture system.

-----  
CNE Thinks Internationally  
-----

17. (C) Tirado confirmed that CNE Director Oscar Battaglini -- considered the most revolution-minded of CNE directors -- had offered to lend a number of Venezuela's Smartmatic machines to the OAS for upcoming elections in Haiti. Smartmatic Vice President Bob Cook told poloff December 23, however, that there had been no follow-up to the Battaglini proposal. Cook said the company is, in fact, working independently from the CNE with a Haitian consortium to sell the OAS and GOH with an electronic voting system for Port-au-Prince using up to 6,000 voting machines. Tirado said he accompanied the CNE's Lucena to Honduras to offer the machines and technical assistance for the Honduran presidential elections in 2005. Tirado did not believe the offer would work out, however, as the machines will be needed in Venezuela about the same time for the National Assembly elections. Tirado said a group of Central American countries may instead collaborate on a World Bank loan to purchase common election equipment, which Smartmatic hopes to supply. Cook pointed out that any CNE offer to lend equipment to a third country would require Smartmatic participation, since the company still owns the rights to most of the operating software.

18. (C) Tirado mentioned that the CNE owed Smartmatic more than US\$10 million for the additional machines purchased for the regional elections, a result of Smartmatic's foregoing a letter of credit to cover the sale. Cook said his company plans to sell between 4,000 and 5,000 new voting machines to the CNE in 2005. He said Smartmatic will roll out a new voting machine early next year that will be cheaper than the previous model. Smartmatic has yet to sign service contracts with the CNE for the 2005 electoral events, but Cook said he has no reason to expect his company would not win the contracts.

-----  
Comment  
-----

19. (C) Chavez needs a compliant CNE open to manipulation to maintain his grip on elected offices. Rodriguez is intelligent, crafty, and particularly mean-spirited when it comes to the opposition. Given the inability of the National Assembly to fulfill its constitutional role of approving CNE directors with a two-thirds majority, we expect the TSJ to name Rodriguez to Carrasquero's position as well as the two replacement directors. It is likely the replacements will be

Chavez sympathizers, giving Chavez a sure 4-1 vote on future electoral questions. The CNE loaning out its voting machines and giving technical assistance to other countries seems for now to be a nascent concept. The idea probably surfaced as a way to shore up the CNE's image both internationally and domestically. The CNE's technical assistance to other countries, however, may be also be a means to influence the management of electoral processes throughout the region.

Brownfield